

Message Text

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INFO AMEMBASSY BUENOS AIRES

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C O N F I D E N T I A L SECTION 1 OF 4 SANTIAGO 6580

E. O. 11652: GDS

TAGS: CI, PGOV, ELAB, SHUM

SUBJECT: THE GOVERNMENT OF CHILE AND ORGANIZED LABOR AFTER
FIVE YEARS

1. SUMMARY: WHEN THE MILITARY TOOK POWER IN SEPTEMBER, 1973
THE JUNTA SUSPENDED LABOR FREEDOMS IN AN EFFORT TO PREVENT UP
POLITICAL PARTIES FROM CONTINUING THEIR ACTIVITIES THROUGH THEIR
UNION AFFILIATES. AT THE SAME TIME, FULLY AWARE THAT THE LARGE
DEMOCRATIC SECTOR OF THE LABOR MOVEMENT HAD SUPPORTED THE ALLENDE
OUSTER, THE GENERALS PROMISED THAT LABOR RIGHTS AND FREEDOMS
(AFTER THE INITIAL CRISIS HAS PASSED) WOULD BE RESPECTED. FIVE
YEARS HAVE NOW GONE BY AND THERE HAS BEEN NO RESTORATION. IN
THAT TIME, THE INITIAL SECURITY CONCERN OF THE GOVERNMENT HAS
BEEN JOINED BY AN ECONOMIC RATIONALE. ALTHOUGH SELDOM CLEARLY
ARTICULATED, CHILE'S ECONOMIC PLANNERS VIEW THE DENIAL OF TRADE
UNION FREEDOMS AS FACILITATING THE ECONOMIC RESTRUCTURING THAT
CHILE IS GOING THROUGH. THE GOC ALSO CONSIDERS THE QUESTION OF
TRADE UNION RIGHTS AS BEING CLOSELY RELATED TO THE WHOLE ISSUE
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OF RESTORING DEMOCRATIC POLITICAL PORCESSES IN CHILE. IT SEES
THE REMOVAL OF SOME CONTROLS FROM THE UNIONS AS A STEP IN
REVIVING PARTISAN POLITICS. OVER THE COURSE OF THE PAST FIVE
YEARS, THE GOC HAS APPARENTLY MADE LIMITED ACCOMMODATION WITH
THOSE OF THE SOCIALIST AND COMMUNIST LABOR LEADERS THAT SURVIVE
BUT IT HAS PROGRESSIVELY ALIENATED IMPORTANT ELEMENTS OF THE
DEMOCRATIC SECTOR. GOVERNMENT SPONSORED LABOR ORGANIZATIONS NOW

CONTAIN FEW REAL LEADERS AND ARE UNLIKELY TO SURVIVE IN AN OPENLY COMPETITIVE SITUATION. THE GOC HAS BEEN HANDICAPPED IN ITS EFFORTS TO WIN OVER ORGANIZED LABOR BY THE CONSERVATIVE NATURE OF ITS ECONOMIC AND POLITICAL PHILOSOPHY. THE PROSPECTS FOR NEAR-TERM IMPROVEMENT IN GOC RELATIONS WITH ORGANIZED LABOR ARE NOT GOOD. END SUMMARY.

2. EXPEDIENCY AND IDEOLOGY -- AN UNCLEAR DIVIDE. MANY OF THE ORGANIZED CHILEAN WORKERS UNDER THE CENTRAL UNICO DE TRABAJADORES (CUT) CONTINUED TO SUPPORT THE ALLENDE GOVERNMENT UNTIL THE END. HOWEVER, A LARGE AND INCREASING MAJORITY, INCLUDING MANY AFFILIATED WITH THE CUT, ENCOURAGED AND WELCOMED THE MILITARY TAKEOVER. FORMOST AMONG THESE WERE THE CHRISTIAN DEMOCRATIC AND RADICAL LABOR LEADERS WHO HAVE SINCE CONSTITUTED THE GROUP OF TEN. AT THE BEGINNING, THEN, THE MILITARY REGIME HAD MIXED MOTIVES IN ITS APPROACH TO ORGANIZED LABOR. ON THE ONE HAND LABOR WAS SEEN AS A PRINCIPAL SUPPORT BASE FOR ALLENDE AND THE UP AND WORKERS' ORGANIZATIONS WERE CONSIDERED A POTENTIAL SOURCE OF SUBVERSION AND ECONOMIC DISRUPTION. ON THE OTHER HAND, THE DEMOCRATIC LABOR UNIONS HAD PLAYED AN IMPORTANT ROLE IN GETTING RID OF ALLENDE AND WERE WILLING TO SUPPORT A NATIONAL GOVERNMENT.

FOR ITS SUPPORTERS AMONG LABOR, BUT ALSO TO MINIMIZE RESISTANCE BY THE SOCIALIST AND COMMUNIST UNIONS, THE JUNTA'S FIRST MILITARY ORDER (BANDO NO. 1) PROMISED TO RESPECT THE SOCIAL GAINS OF CHILEAN WORKERS. THIS GUARANTEE HAS BEEN REPEATED SEVERAL TIMES SINCE. TO COUNTER WHAT IT PERCEIVED AS THE NEAR-CONFIDENTIAL

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TERM THREAT FROM LABOR, THE GOC PASSED A SERIES OF DECREE LAWS, ANNOUNCED AS TEMPORARY MEASURES: DL 12 ABOLISHED THE CUT AND CONFISCATED ALL ITS PROPERTY. DL 32 INDEFINITELY SUSPENDED THE CONCILIATION COUNCIL, THE LEGAL MECHANISM FOR LABOR CONFLICTS, AND THE RIGHTS OF TRADE UNIONS TO PRESENT PETITIONS, TO BARGAIN COLLECTIVELY, AND TO STRIKE. IT ALSO INCREASED THE NUMBER OF LEGAL REASONS FOR WHICH A WORKER COULD BE FIRED, INCLUDING PARTICIPATION IN STRIKES, SLOW-DOWNS, TERRORIST OR POLITICAL ACTIVITIES, OR IN MARXIST POLITICAL GROUPS. BY DECREE LAW 200 OF 17 DECEMBER, 1973, THE JUNTA FROZE ALL SALARIES, WAGES AND BENEFITS. AND, FINALLY, IN DECREE LAW 198 OF THE 29TH OF DECEMBER 1973, WORKERS WERE DEPRIVED OF THE RIGHT TO MEET FREELY OR TO ELECT THEIR LEADERS. DECREE LAW 198 PROVIDED FOR A SYSTEM WHEREBY VACANCIES AMONG TRADE UNION LEADERS WOULD BE FILLED BY SENIORITY OR BY THE DIRECT APPOINTMENT OF THE MINISTRY OF LABOR.

ALTHOUGH THE INITIAL ATTITUDE OF THE REGIME WAS EQUIVOCAL WITH RESPECT TO LABOR, THE PREDOMINANT IMPULSES IN THE SUCCEEDING FOUR AND ONE-HALF YEARS HAVE BEEN UNSYMPATHETIC TO TRADE UNION ACTIVITIES AS THESE HAVE BEEN KNOWN IN CHILE OVER RECENT DECADES. DOMINANT ELEMENTS WITHIN THE MILITARY AND THEIR CIVILIAN SUPPORTERS BECAME OBSESSED WITH THE IDEA THAT IT WAS

POSSIBLE TO GREATLY REDUCE THE SCOPE OF POLITICLIGLEIVITY IN CHILE. RATHER THAN POLITICAL PARTIES VYING FOR CONTROL OF INTERMEDIARY ORGANIZATIONS SUCH AS LBOR UNIONS, THE OFFICIAL PHILOSOPHY CAME DOWN ON THE SIDE OF A TECHNOCRATIC APOLITICAL LABOR MOVEMENT. THUS, BEFORE IT WOULD BE NECESSARY TO GET RID OF THE OLD STYLE "POLITICAL" LEADERS AND REPLACE THEM WITH PROFESSIONALS.

BY 1975 A THIRD ELEMENT HAD ENTERED THE GOVERNMENT'S THINKING AND ASSUMED INCREASING IMPORTANCE. THE ECONOMIC SYSTEM ITSELF, WITH ITS HEAVY EMPHASIS ON IMPORT SUBSTITUTION AND GOVERNMENT INVESTMENT AND INCENTIVES, HAD BEEN PARTIALLY RESPONSIBLE FOR THE DISASTER OF ALLENDE.

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THE ANSWER ACCORDING TO CHILE'S MORE CONSERVATIVE ECONOMISTS WAS TO RETURN AS FAR AS POSSIBLE TO A FREE-MARKET ECONOMY. IT WAS EXPECTED THAT THIS WOULD NOT ONLY PRODUVE SOME BUSINESS DISLOCATIONS BUT ALSO MAJOR HARDSHIPS FOR MANY WORKERS. IN THIS SITUATION, THE FACT THAT CHILEAN WORKERS HAD BEEN DEPRIVED OF ALL BASIC RIGHTS SUDDENLY BECAME A USEFUL CIRCUMSTANCE. IN EFFECT, THE ECONOMISTS JOINED THE POLITICAL THEORISTS AND THE SECURITY FORCES IN SUPPORTING ALL DELIBERATE DELAY IN RESTORING TRADE UNION FREEDOMS.

3. GOC EFFORTS TO CONTROL LABOR -- A BIG STICK AND NOT MUCH CARROT

CHILEAN GOVERNMENT EFFORTS TO CONTROL TRADE UNIONS ARE NOT NEW WITH THIS REGIME. HISTORICALLY CHILEAN LABOR HAS BEEN

HIGHLY POLITICIZED AND CHILEAN LABOR LAW HAS ENCOURAGED
FACTIONALISM. THE BASIC ORGANIZATION UNIT IS THE LOCAL PLANT AND
THIS HAS RESULTED IN MANY UNIONS WITH LESS THAN 50 PERSONS. DURING
THE PAST 20 YEARS LESS THAN 15 PERCENT OF THE BLUE COLLAR UNIONS
HAD A MEMBERSHIP OF MORE THAN 100 PERSONS. THE LAW ALSO WEAKENED
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THE AUTHORITY OF TRADE UNION LEADERS AT THE FEDERATION LEVEL.
COLLECTIVE BARGAINING AGREEMENTS, WHICH WERE NOT THE RULE IN CHILE,
WERE SIGNED AT THE LOCAL PLANT LEVEL SINCE, AGAIN, THE LAW MADE
IT IMPOSSIBLE (OR AT LEAST VERY DIFFICULT) FOR NEGOTIATIONS TO
TAKE PLACE AT THE INDUSTRY LEVEL.

A. INTIMIDATION.

THE DECREE LAWS OF THE PERIOD SEPTEMBER THROUGH DECEMBER,
1973, REDUCED ORGANIZED LABOR TO BYSTANDER STATUS. AGAINST
INDIVIDUAL LEADERS AND WORKERS KNOWN OR BELIEVED TO OPPOSE THE
MILITARY GOVERNMENT, VARYING DEGREES OF REPRESSION WERE
EMPLOYED. BY LATE 1974, THE INVESTIGATION COMMISSION OF THE
ILO PUT TOGETHER A LIST OF 120 LEADERS REPORTED TO HAVE BEEN
DETAINED AND EXECUTED. THE VICARIATE OF SOLIDARITY'S CURRENT LIST
OF 615 MISSING PERSONS CONTAINS 55 COMMUNISTS AND OTHER LEFTIST
LABOR LEADERS. THE GOC HAS CLAIMED THAT NO INDIVIDUALS WERE
ARRESTED FOR TRADE UNION ACTIVITIES BUT RATHER FOR TERRORISM,
POSSESSION OF ARMS, OR OTHER CRIMES.

Numerous trade union leaders have been removed from their
leadership positions. While no precise data are available,
recent estimates of the changes brought about by normal attrition
as well as government action over the past five years of no
elections suggest that no more than 30 percent of the union
leaders now in position were elected.

A third category of intimidation has been harassment.
Drawing on the experiences of the democratic leaders with whom
we have most contact, the GOC has repeatedly refused to grant
permission for leaders to travel to the United States for seminars
and in the case of Hilda Ceballos first ordered her home
before the end of her travel grant and then instituted
disciplinary actions when she arrived a few days late.

B. PROTECTING PURCHASING POWER

THE MILITARY CAME TO POWER IN SUBSTANTIAL DEGREE BECAUSE
OF THE ECONOMIC CHAOS BROUGHT ABOUT BY THREE YEARS OF THE
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UP. THOSE WHO HAD SUPPORTED THE TAKEOVER WERE PREPARED TO GO
THROUGH A PERIOD OF AUSTERITY WHILE THE COUNTRY RECOVERED. THE
LABOR LEADERS AND RANK-AND-FILE WERE NOT PREPARED TO HAVE ORGANIZED
LABOR TAKE THE BRUNT OF THE ECONOMIC BURDEN FOR A PROLONGED

PERIOD. TO PARTIALLY AND GRADUALLY OVERCOME THE STEEP DROP IN REAL WAGES THAT HAD OCCURRED BETWEEN 1972 AND 1974 THE GOC BY DECREE LAW 670 OF OCTOBER 2, 1974 ESTABLISHED PERIODIC WAGE INCREASES BASED UPON THE CONSUMER PRICE INDEX. WITH A DECLINING RATE OF INFLATION, REAL WAGES STARTED TO RISE BUT WILL NOT HAVE REGAINED 1972 LEVELS UNTIL THE END OF THIS YEAR.

C. GOVERNMENT SPONSORED UNIONISM

IN APRIL 1975, THE GOVERNMENT PERCEIVED THE NEED FOR A POPULAR MOVEMENT IN SUPPORT OF THE MILITARY GOVERNMENT. THIS MOVEMENT, CREATED WITH SOME LABOR PARTICIPATION, WAS ORGANIZED ALONG POLITICAL PARTY LINES WITH A LABOR WING, A YOUTH WING AND A WOMEN'S DEPARTMENT. THE LABOR WING WAS ESTABLISHED BY THE THEN SECRETARY OF GREMIOS, RUBEN DIAZ, IN DECEMBER 1975 AND CALLED THE NATIONAL LABOR FRONT ("FRENTE LABORAL"). WITH RAUL ORREGO AS PRESIDENT. ORREGO, HAD BEEN PREVIOUSLY APPOINTED PRESIDENT OF HIS UNION BY THE MINISTER OF LABOR UNDER DL 198. THE NEW LABOR FRONT CONTAINED 18 TRADE UNIONS AND TRADE ASSOCIATIONS REPRESENTING ALMOST 100,000 EMPLOYERS AND WORKERS. THE PRINCIPAL LEADERS OF THIS ORGANIZATION WENT TO THE ILO CONFERENCE IN GENEVA IN 1975 AND MOST WENT AGAIN IN 1976 AND 1977. DURING THE THIRD AND FOURTH ANNIVERSARY CELEBRATIONS OF THE MILITARY GOVERNMENT (SEPTEMBER 11), THE "FRENTE LABORAL" TOOK A PROMINENT PART, WITH HUNDREDS OF ITS MEMBERS MARCHING IN THE OFFICIAL PARADES. IN DECEMBER 1976 AFTER A MEETING WITH THE PRESIDENT, A GROUP OF 14 TRADE UNION LEADERS, MANY FROM THE FRENTE LABORAL, ANNOUNCED THE FORMATION OF ANOTHER PRO-GOVERNMENT TRADE UNION ENTITY CALLED THE UNION OF CONFEDERATIONS, FEDERATIONS AND TRADE UNIONS OF CHILE, WITH BERNARDINO CASTILLO AS ITS NEW PRESIDENT. ALTHOUGH ANNOUNCED AFTER A MEETING WITH THE PRESIDENT, THIS GROUP WAS FORMED UNDER THE SPECIAL PROTECTION OF THE MINISTRY OF LABOR RATHER THAN THE SECRETARY OF GREMIOS. THE SEPARATE SPONSORSHIP OF THESE TWO ORGANIZATIONS

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WAS AN EXPRESSION OF THE GROWING CONFLICT BETWEEN THE MINISTRY OF LABOR AND THE PRESIDENTIAL STAFF OVER THE DIRECTION OF LABOR POLICY. THE NEW ORGANIZATION IN APRIL 1977 ANNOUNCED THAT IT HAD OVER 22 ORGANIZATIONS WITH A HALF MILLION WORKERS AFFILIATED.

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ITS PRINCIPAL AFFILIATES WERE THE COPPER, HEALTH AND ROAD TRANSPORT WORKERS. ACTUALLY MEMBERSHIP FOR THE 22 UNIONS, HOWEVER, WAS CLOSER TO 200,000 WORKERS. THROUGH THE FIRST HALF OF 1977 THE FRENTE LABORAL WORKED CLOSELY WITH THE NEW UNION OF CONFEDERATIONS. IN MAY 1977 THE GOVERNMENT REPLACED RUEN DIAZ AS SECRETARY OF GREMIOS AND NAMED MISAEAL GALLEGUIDOS. GALLEGUIDOS ACTIVELY SOUGHT TO EXPAND THE FRENTE LABORAL TO REPLCE OTHER TRADE UNION ORGANIZATIONS WITHIN CHILE. HE ORDERED STATE-OWNED COMPANIES TO COOPERATE WITH THE LABOR FRONT. WITHIN THE RAILROAD INDUSTRY THE MILITARY MANAGEMENT GAVE FRENTE LABORAL LEADERS SPECIAL PASSES ON TRAINS AND OFFICE SPACE TO ORGANIZE WORKERS AROUND THE GOVERNMENT. HOWEVER, IN THIS PARTICULAR CASE THE EFFORT FAILED. THE NUMEROUS RAILROAD UNIONS UNITED TO FIGHT AGAINST THE GOVERNMENT CONTROLLED UNIONS. IN OTHER CASES, FOR EXAMPLE, HEALTH WORKERS, THE FRENTE LABORAL WAS SO SUCCESSFUL THAT THE ELECTED PRESIDENT OF THE EXISTING UNION MOVED OVER TO BECOME THE PRESIDENT OF THE FRENTE LABORAL OF HEALTH WORKERS.

THE SECRETARY OF GREMIOS IS RESPONSIBLE FOR A WIDE RANGE OF TRADE ORGANIZATIONS INCLUDING UNIONS, EMPLOYERS' ASSOCIATIONS
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AND CRAFT ASSOCIATIONS. THIS OFFICE FOUNDED AND GIVES SUPPORT TO THE FRENTE LABORAL. THROUGH ITS TRADE UNION SCHOOL IT PROVIDES LABOR SCHOLARSHIPS TO PERSONS LOYAL TO THE GOVERNMENT. AT PRESENT, THE SECRETARY OF GREMIOS IS ATTEMPTING TO ORGANIZE BRANCHES OF THE FRENTE LABORAL IN ALL LARGE STATE AND PRIVATE CORPORATIONS IN CHILE. THROUGH ARTICLE 11 IN THE NEW LABOR CODE, THE SECRETARY OF GREMIOS OBTAINED THE LEGAL RIGHT TO SUPPORT ALTERNATIVE LABOR ORGANIZATIONS IN UNION SHOP PLANTS. THE LAW PROVIDES THAT 15 OR MORE WORKERS WHO DO NOT BELONG TO THE UNION REPRESENTING OTHER WORKERS IN THE PLANT HAVE THE RIGHT

TO ELECT AN EMPLOYEE DELEGATE SEPARATE FROM THAT OF THE EXCLUSIVE BARGAINING AGENT.

IN APRIL 1978, A FEW WEEKS AFTER A FOURTH MEETING OF TRADE UNION LEADERS WITH THE GOVERNMENT, WERE AN IMPROMPTU SPEAKER COMPLAINED ABOUT THE INTERVENTION OF THE FRENTE LABORAL WITHIN HIS LABOR ORGANIZATION, THE UNION OF CONFEDERATIONS CHANGED ITS NAME TO THE UNION OF WORKERS (UNTRACH), WITH BERNARDINO CASTILLO STILL AS ITS PRESIDENT BUT WITH THE MORE INDEPENDENT HERNOL FLORES AS ITS SECRETARY GENERAL. THE UNTRACH BEGAN A CAMPAIGN TO REGAIN THE LABOR INITIATIVE FROM THE FRENTE LABORAL -- MAKING STATEMENTS ABOUT THE ECONOMIC CONDITIONS OF THE WORKERS AND THE EXISTENCE OF PARALLEL UNIONISM IN CHILE.

4. CONCLUSION -- PROSPECTS NOT BRIGHT.

THERE ARE SOMETHING MORE THAN 1 MILLION ORGANIZED WORKERS IN CHILE. APPROXIMATELY 300,000 ARE IN DEMOCRATICALLY ORIENTED UNIONS, THE LEADERS OF WHICH MAKE UP THE GROUP OF TEN. SOME 130,000 ARE IN UNIONS CONTROLLED BY THE SURVIVANT COMMUNIST LEADERS. THE UNTRACH AND THE FRENTE LABORAL HAVE A COMBINED ENROLLMENT OF ABOUT 250,000. FEDERICO MUJICA'S CONFEDERATION OF PRIVATE EMPLOYEES (CEPCH) IS CREDITED WITH 132,000 MEMBERS. MUJICA OCCUPIES A MIDDLE-POSITION BETWEEN THE GROUP OF TEN AND UNTRACH. THE REMAINING 300,000 PLUS ORGANIZED WORKERS

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ARE NOT EASILY CATEGORIZED.

DEPENDING ON HOW THE ADDITION IS DONE, THE ABOVE FIGURES COULD BE READ TO INDICATE CONSIDERABLE GOC SUCCESS IN GAINING LABOR SUPPORT. ONLY THE DEMOCRATIC GROUP OF TEN SPEAKS OUT CLEARLY AND FREQUENTLY IN SUPPORT OF RESTORED LABOR RIGHTS. THE COMMUNIST GROUP OF SEVEN ALSO CONSTITUTES OPPOSITION AND HAS RECENTLY PARTICIPATED IN ORGANIZING (PUBLICLY) THE COORDINADORA NACIONAL SINDICAL -- A SURROGATE FOR THE CUT. QUITE CLEARLY, HOWEVER, AS ILLUSTRATED BY THE CURRENT DIFFICULTIES AT CHUQUICAMATA, GROSS FIGURES HIDE MORE THAN THEY REVEAL. GOVERNMENT SUPPORT WITHIN ORGANIZED LABOR FREQUENTLY DOES NOT EXIST BELOW THE LEADERSHIP LEVEL. IF THOSE LEADERS ARE TO RETAIN ANY STANDING AMONG RANK-AND-FILE AND, HENCE, UTILITY TO GOC OFFICIALS RESPONSIBLE FOR LABOR MATTERS, THEY MUST BE ABLE TO OBTAIN SOME CONCESSIONS FROM MANAGEMENT. TO DATE, AT LEAST, THE GOVERNMENT HAS BEEN VERY RELUCTANT TO SMOOTH THE PATH OF ITS LABOR RELATIONS WITH SIGNIFICANT ECONOMIC CONCESSIONS.

THE GOC'S LABOR POLICY IS RUNNING OUT OF TIME: THE MEANY LETTER OF AUGUST 10 TO PRESIDENT CARTER THREATENING AFL-CIO COOPERATION WITH "EFFECTIVE INTERNATIONAL ACTION AGAINST THE CHILEAN GOVERNMENT'S CONTINUED REPRESSION OF ITS WORKERS IS A SYMPTOM, NOT THE PROBLEM. WHETHER THAT ULTIMATUM WILL SPEED UP THE RETURN OF LABOR FREEDOMS IN CHILE REMAINS TO BE SEEN. THIS REGIME HAS NOT IN THE PAST REACTED POSITIVELY TO OVERT PRESSURE. ON THE OTHER HAND MANY DEMOCRATIC TRADE UNIONISTS

HERE APPLAUD THE LETTER AND THINK IT IS A NECESSARY AND IMPORTANT STEP.

OF TRADE UNION RIGHTS, THE RESTORATION OF SOME FORM OF COLLECTIVE BARGAINING SEEMS THE MOST IMMINENT. THE GOC WAS TALKING ABOUT HAVING A PROPOSAL READY BY THE END OF THIS MONTH. MORE RECENTLY WE HAVE HEARD THAT THERE MAY BE NO ACTION UNTIL EARLY 1979. BUT COLLECTIVE BARGAINING IS OF LIMITED VALUE UNLESS WORKERS ARE ABLE TO ASSEMBLE FREELY AND ELECT THEIR LEADERS. BECAUSE OF THEIR GREATER POLITICAL POTENTIAL THE GOC HAS NOT YET ABANDONED HOPE OF STRETCHING OUT THE RESTORATION OF THESE FREEDOMS AS LONG AS POSSIBLE. A FOURTH RIGHT, THAT TO STRIKE, CONFIDENTIAL

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HAS RECENTLY GAINED A MEASURE OF GRUDGING RECOGNITION FROM THE MINISTER OF LABOR: CONCILIATION AND ARBITRATION SHOULD BE THE NORM IN THE NEW CHILE, BUT THE RIGHT TO STRIKE MAY STILL HAVE AN IMPORTANT, IF RESIDUAL ROLE.

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THE DILEMMA OF THE GOC'S LABOR RELATIONS IS APPARENT: THIS REGIME HAS LITTLE HOPE OF GAINING LARGE-SCALE LABOR SUPPORT FOR ITS ECONOMIC AND POLITICAL PROGRAMS SO LONG AS LABOR

HAS NO VOICE EITHER IN ITS OWN VESTED INTERESTS OR THE LARGER
PICTURE; HOWEVER, IF AND WHEN LABOR RIGHTS ARE RESTORED THESE
POLICIES WILL COME UNDER INCREASING PRESSURE FOR MODIFICATION.
A TIGHT-LID POLICY WILL INCUR MOUNTING DOMESTIC AND INTER-
NATIONAL COSTS. THE EARLY PROGRESSIVE RESTORATION OF LABOR RIGHTS
ALSO CARRIES RISKS, BUT PERHAPS TOO THE POLITICAL PROFIT THAT
NORMALLY ACCOMPANIES LEADERSHIP AND INITIATIVE. THE PROSPECTS
FOR RAPID RESTORATION OF TRADE UNION FREEDOMS IN CHILE ARE NOT
NOW VERY BRIGHT AND, AS A COROLLARY, RELATIONS BETWEEN THE
MILITARY GOVERNMENT AND THE LABOR SECTOR ARE UNLIKELY TO IMPROVE.
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